

**SABINE RIVER COMPACT ADMINISTRATION
FINANCIAL REPORT
AUGUST 31, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/5/03

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Sabine River Compact Administration
States of Texas and Louisiana

We have audited the accompanying financial statements of the governmental activities of the Sabine River Compact Administration, a component unit of the State of Texas and State of Louisiana, as of and for the year ended August 31, 1993. These financial statements are the responsibility of the Administration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Sabine River Compact Administration as of August 31, 1993, and the changes in financial position including the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 2 to the financial statements, the Sabine River Compact Administration adopted the provisions of the Governmental Accounting Standards Board Statement No. 14, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," as of September 3, 1993. This results in a change in the format and content of the basic financial statements.

The budgetary comparison and management's discussion and analysis on page 2 and pages 3 and 4 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2002, on our consideration of the Sabine River Compact Administration's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Compliance Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Brummond, Poiré, Lewis & Brannon LLP

Lafayette, Louisiana
October 8, 2002

**SABINE RIVER COMPACT ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Sabine River Compact Administration (SRCOA) annual financial report presents a discussion and analysis of SRCOA's financial performance during the fiscal year that ended August 31, 2003. Please read this section in conjunction with SRCOA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

SRCOA's net assets overall decreased from \$16,444 to \$18,176 or 11% from August 31, 2001 to August 31, 2003. The overall reason for this change was the decrease in intergovernmental transfers, which fluctuate depending on levels of the individual state operating appropriations.

SRCOA's intergovernmental revenues decreased from \$40,818 to \$18,013 or 56% from August 31, 2001 to August 31, 2003. General government expenses decreased to \$40,473 from \$44,389 or 11% for the year ended August 31, 2003.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and the notes to the financial statements.

The basic financial statements present information for the administration as a whole, in a format designed to make the statement easier for the reader to understand. The statements in this section include the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents the assets and liabilities. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the administration is improving or deteriorating.

The Statement of Activities presents information showing how the administration's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, transactions are recorded that will not affect cash until future periods.

The financial statements provide information about SRCOA's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

SRCOA's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of SRCOA are included in the Statement of Net Assets.

FINANCIAL ANALYSIS

Net Assets

SRCOA's total net assets at August 31, 2003 changed by (\$2,144) or 13% decrease from August 31, 2001. Total assets decreased 25% to \$19,481 and total liabilities decreased 89% to \$11,896.

Changes in Net Assets

The change in net assets at August 31, 2002 is \$(2,389) or 4% less than at August 31, 2001. SRCA's total revenues and transfers decreased by 14% to \$88,884 and total general government expenses decreased 4% to \$91,073. The general government expenses are detailed below.

SRCA's General Government Expenses

	2002	2001
General government expenses:		
Secretary	\$ 8,900	\$ 9,375
Treasurer	1,800	1,800
Water resources investigation	48,200	50,800
Audit fees	1,200	1,200
Other	889	1,174
Total	<u>\$ 61,079</u>	<u>\$ 61,349</u>

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are currently no known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

CONCLUSION SRCA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our legislators, state officials, the Louisiana Legislative Auditor's Office, persons and other interested parties with a general overview of SRCA's finances and to demonstrate SRCA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Heidi Granger at 484-346-2082.

SAVING RIVER COMPACT ADMINISTRATION

STATEMENTS OF NET ASSETS
August 31, 1993

ASSETS	<u>1993</u>	<u>1992</u>
Cash	\$ 32,891	\$ 32,891
TOTAL ASSETS	<u>\$ 32,891</u>	<u>\$ 32,891</u>
LIABILITIES		
Accounts payable	\$ 11,839	\$ 11,399
TOTAL Liabilities	<u>\$ 11,839</u>	<u>\$ 11,399</u>
NET ASSETS		
Restricted	\$ 20,279	\$ 20,604
Total net assets	<u>\$ 20,279</u>	<u>\$ 20,604</u>

See Notes to Financial Statements.

SHARPE RIVER CEMENT ADMINISTRATION

STATEMENTS OF ACTIVITIES Year Ended August 31, 1982

	1982	1981
GOVERNMENT ACTIVITIES:		
Federal government	\$ 643,673	\$ 663,188
Total governmental activities	<u>643,673</u>	<u>663,188</u>
GENERAL REVENUES AND TRANSFERS:		
Intergovernmental transfers	58,632	64,638
Interest	<u>472</u>	<u>1,844</u>
Total general revenues and transfers	<u>59,104</u>	<u>66,482</u>
Change in net assets	12,188	4,896
Net assets, at beginning	<u>18,644</u>	<u>25,853</u>
Net assets, at ending	<u>\$ 30,832</u>	<u>\$ 30,749</u>

(See Notes to Financial Statements.)

(GA)IRB RIVER COMBACT ADMINISTRATION

BALANCE SHEETS
August 31, 2002 and 2001

ASSETS	2002	2001
Cash	\$ <u>28,881</u>	\$ <u>32,882</u>
Total assets	\$ <u>28,881</u>	\$ <u>32,882</u>
LIABILITIES AND FUND EQUITY		
Accounts payable	\$ <u>13,000</u>	\$ <u>32,198</u>
Fund balance - undesignated	<u>18,275</u>	<u>18,888</u>
Total liabilities and fund equity	\$ <u>28,881</u>	\$ <u>32,882</u>

See Notes to Financial Statements.

BARRE CITY COMBINED ADMINISTRATION

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE Years Ended August 31, 2042 and 2041

	<u>General Fund</u>	
	<u>2042</u>	<u>2041</u>
REVENUES:		
Intergovernmental	\$ 38,032	\$ 48,438
Interest	<u>472</u>	<u>3,848</u>
Total revenues	38,504	52,286
EXPENDITURES:		
General government	<u>43,572</u>	<u>43,382</u>
Excess of revenues over expenditures	12,389	4,303
Fund balance, beginning	<u>38,464</u>	<u>34,569</u>
Fund balance, ending	<u>\$ 50,853</u>	<u>\$ 38,872</u>

See Notes to Financial Statements.

SAVING STATE CONTRACT ADMINISTRATION

STATEMENT OF REVENUES, EXPENDITURES AND CHARGES

IN FUND BALANCE - BUDGET (SAP BASIS) AND

ACTUAL - GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED AUGUST 31, 1991

With Comparative Actual Amounts for Year Ended August 31, 1990

	General Fund		Variance - (Over) Under	1990 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
Contributions:				
State of Texas	\$ 28,200	\$ 28,085	\$ -	\$ 28,200
State of Louisiana	28,896	28,000	-	28,200
Interest income	-	472	472	1,364
Total revenues	57,096	56,485	(611)	57,764
Expenditures:				
General government -				
Maintenance - office of:				
Secretary	5,182	8,408	3,226	2,888
Treasurer	1,889	1,400	-	1,400
Water Wastewater				
Investigation	48,912	48,280	632	60,816
Audit fees	1,000	1,390	389	1,900
Other	1,000	201	799	1,174
Total expenditures	57,983	60,679	2,696	67,178
Excess of revenues over expenditures	\$ -887	13,840	\$ 12,889	4,395
Fund balance, beginning		28,488		28,488
Fund balance, ending		\$ 28,475		\$ 28,488

See Notes to Financial Statements.

MAHINE RIVER COMPACT ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Basis of presentation:

The accompanying financial statements have been prepared in accordance with accounting principles (GAAP) generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards.

This financial report has been prepared in conformity with GAO Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Government," issued in June 1993.

Reporting entity:

The Mahine River Compact Administration, a component unit of the State of Texas and State of Louisiana, is an entity formed by a compact entered into by the state of Texas and the state of Louisiana on January 26, 1918, under authority granted by an Act of the Congress of the United States approved November 1, 1916, (Public Law No. 343, 64th Congress, First Session). The Act was amended on October 18, 1992 (Public Law No. 102-378 of the 102 Congress). The objective of the Compact is to provide equitable apportionment of the waters of the Mahine River and its tributaries between the two states. The operation is administered by an inter-State Administrative Agency composed of two members appointed by the Governor of Texas and two members appointed by the Governor of Louisiana; and one member, as representative of the United States appointed by the President of the United States, which member shall be ex-officio chairman of the Administration without vote and shall not be a domiciliary of or resident in either state.

Funds:

The Administration uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The General Fund, a governmental fund type, is the general operating fund of the Administration. It is used to account for all the financial resources of the Administration.

NOTES TO FINANCIAL STATEMENTS

Measurement focus/basis of accounting:

Government-wide financial statements (GFS):

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Administration.

The GFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs regardless of when cash is received or disbursed. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

Fund financial statements:

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the GFS are prepared; however, there are no differences between the GFS and the fund financial statements as of and for the year ended August 31, 2003.

Fund financial statements report detailed information about the Administration. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The two major sources of revenues are intergovernmental and interest. Both of these are susceptible to accrual.

Budgets:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund. The budget is prepared by the Native River Compact Administration management for formal approval by the

NOTES TO FINANCIAL STATEMENTS

Board of Commissioners. Any amendments to the original budget are approved by the Board of Commissioners. Budgeted amounts are as originally adopted or as amended.

Cash:

Cash consists of amounts in interest bearing deposit accounts.

Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Administration's financial position and operations.

Note D. Deposits

The carrying amount of deposits was \$28,883 and \$28,843 and the bank balance was \$18,881 and \$18,843 at August 31, 1985 and 1984, respectively. The entire bank balance was covered by Federal Depository Insurance.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OTHER AUDITING STANDARDS**

To the Board of Commissioners,
Sabine River Compact Administration
States of Texas and Louisiana

We have audited the financial statements of the Sabine River Compact Administration, a component unit of the State of Texas and State of Louisiana, as of and for the year ended August 31, 2000, and have issued our report thereon dated October 5, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Administration's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Administration's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that

would be material in relation to the financial statements being audited may occur and may be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Brownell, Poole, Lewis & Brown LLP

Lafayette, Louisiana
December 8, 2022

SEBINE RIVER COMPACT ADMINISTRATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 1983

We have audited the financial statements of Sebina River Compact Administration as of and for the year ended August 31, 1983, and have issued our report thereon dated October 8, 1983. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of August 31, 1983 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. REPORT ON INTERNAL Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No

Reportable Conditions ☐ Yes ☒ None Reported

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II - Financial Statement Findings

No findings were reported.

SARINE RIVER COMBACT ADMINISTRATION
SCHEDULE OF PRIOR YEAR FINDINGS
FOR CMA THAT ENDED August 31, 1983

Section I. Internal Control and Compliance Material to the Financial Statements
None reported.

Section II. Internal Control and Compliance Material to Federal Awards
Not applicable.

Section III. Management Letter
The prior year's report did not include a management letter.